

1 SHIRLI F. WEISS (Bar No. 079225)
2 DAVID A. PRIEBE (Bar No. 148679)
3 JEFFREY B. COOPERSMITH (Bar No. 252819)
4 **DLA PIPER US LLP**
5 401 B Street, Suite 1700
6 San Diego, CA 92101-4297
7 Tel: 619.699.2700
8 Fax: 619.699.2701
9 E-mail: shirli.weiss@dlapiper.com
10 E-mail: david.priebe@dlapiper.com
11 E-mail: jeff.coopersmith@dlapiper.com

7 ELLIOT R. PETERS (Bar No. 158708)
STUART L. GASNER (Bar No. 164675)

8 || KEKER & VAN NEST LLP

710 Sansome Street

9 San Francisco, CA 94111

Tel: (415) 391-5400

10 || Fax: (415) 397-7188

E-mail: EPeters@KVN.com

11 | E-mail: SGasner@KVN.co

12 || Attorneys for Defendant

KENNETH L. SCHROEDER

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SECURITIES AND EXCHANGE COMMISSION.

19 Plaintiff,

20 ||

21 KENNETH L. SCHROEDER,

22 || Defendant.

Case No. C-07-3798-JW (HRL)

**STATEMENT IN COMPLIANCE WITH
CIVIL LOCAL RULE 37-2 REGARDING
DOCUMENTS SOUGHT FROM KLA-
TENCOR CORPORATION**

Date: July 15, 2008

Time: 10:00 a.m.

Courtroom: 8

Judge: Magistrate Judge Howard R. Lloyd

1 Defendant Kenneth L. Schroeder respectfully submits this Statement in Compliance with
 2 Local Rule 37-2 Regarding Documents Sought from KLA-Tencor Corporation (“KLA”). For
 3 ease of reference, Mr. Schroeder has organized this statement to correspond to the five general
 4 categories of documents and testimony identified in the Motion Of Kenneth L. Schroeder To
 5 Compel Further Responses To Discovery Requests (Testimony And Documents) By (1) KLA-
 6 Tencor Corporation And (2) Skadden, Arps, Slate, Meagher & Flom LLP, Attorneys For The
 7 Special Committee Of KLA’s Board Of Directors (the “Motion to Compel”): (1) documents and
 8 communications concerning historical attorney communications about KLA’s option granting and
 9 accounting practices; (2) original notes and draft interview memoranda from Special Committee
 10 witness interviews; (3) documents and communications relating to the Special Committee
 11 investigation shown to or discussed with government or regulatory agencies; (4) all other
 12 documents and communications relating to the Special Committee investigation; and (5)
 13 documents and communications shared with KLA’s outside auditors.

14 KLA has refused to produce the documents and communications at issue in the Motion to
 15 Compel, and to permit witnesses to testify about those documents and communications, on the
 16 basis of the attorney-client privilege and/or the work product doctrine. KLA also asserts that the
 17 “majority” of the documents and communications that Mr. Schroeder seeks have already been
 18 produced to him in this litigation by the SEC. KLA has failed, however, to identify with any
 19 specificity what documents it is withholding or the specific grounds for withholding them.

20 By the Motion to Compel and this statement, Mr. Schroeder does not seek to compel KLA
 21 to re-produce documents that have already been produced to him by the SEC. Rather,
 22 Mr. Schroeder seeks production of the documents that have been withheld from production to him
 23 to date, as well as testimony relating to all of the documents and communications that KLA has
 24 withheld based on privilege assertions. The documents and testimony that Mr. Schroeder seeks
 25 are vital to Mr. Schroeder’s ability to fully defend himself, and, under the circumstances of this
 26 case, all of KLA’s privilege claims are unfounded, either because no privilege or protection ever
 27 attached or because KLA has waived any applicable privilege or protection.

28

1 **I. CATEGORY 1: DOCUMENTS CONCERNING HISTORICAL ATTORNEY**
 2 **COMMUNICATIONS ABOUT KLA'S OPTION GRANTING AND**
 3 **ACCOUNTING PRACTICES**

4 **A. MR. SCHROEDER'S PRODUCTION DEMAND NO. 16 TO KLA**

5 Production Demand No. 16

6 All calendars, notebooks or diaries memorializing dates for telephone calls and/or
 7 meetings of Kenneth Levy, Jon Tompkins, Gary Dickerson, Joy Nyberg, Lisa Berry, Stuart
 8 Nichols, John Kispert, Maureen Lamb, Barbara Stebbins and Mark Nordstrom CONCERNING
 9 compensation of employees, accounting for employee compensation, stock option grants and/or
 corporate governance issues.

10 KLA's Amended Response to Production Demand No. 16

11 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 12 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 13 to this Demand to the extent that it is vague and ambiguous, compound and improper in form.
 14 KLA further objects to this Demand to the extent it seeks production of documents which are
 15 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 16 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 17 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 18 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 19 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 20 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 21 Demand to the extent it contains duplicative requests, in whole or in part.

22 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 23 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 24 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 25 No such documents will be produced by KLA.

26 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 16

27 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 28 responsive to Production Demand No. 16 that KLA has withheld based on the attorney-client

1 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 2 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 3 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 4 options granting practices, witness interview memoranda concerning such communications, and
 5 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 6 options practices without regard to matters of privilege.

7 **B. MR. SCHROEDER'S PRODUCTION DEMAND NO. 28 TO KLA**

8 Production Demand No. 28

9 All DOCUMENTS concerning the Board of Directors' granting of options to Section 16b
 10 officers including all DOCUMENTS evidencing any follow-up to assure that the Secretary,
 11 General Counsel, or Human Resources had properly documented its grants.

12 KLA's Amended Response to Production Demand No. 28

13 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 14 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 15 to this Demand to the extent that it is vague and ambiguous, compound, argumentative, lacks
 16 foundation, and is improper in form. KLA further objects to this Demand to the extent it seeks
 17 production of documents which are neither relevant to the subject matter of this action nor
 18 reasonably calculated to lead to the discovery of admissible evidence. KLA objects to this
 19 Demand to the extent it seeks documents protected by the attorney-client privilege, work product
 20 doctrine, or other applicable privilege. No such privileged documents will be produced. KLA
 21 objects to this Demand to the extent it seeks confidential, proprietary, or highly sensitive
 22 information or information that is protected by the right to privacy of any third party that KLA is
 23 obligated to safeguard. KLA objects to this Demand to the extent it contains duplicative requests,
 24 in whole or in part.

25 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 26 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 27 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 28 No such documents will be produced by KLA.

1 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 28

2 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 3 responsive to Production Demand No. 28 that KLA has withheld based on the attorney-client
 4 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 5 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 6 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 7 options granting practices, witness interview memoranda concerning such communications, and
 8 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 9 options practices without regard to matters of privilege.

10 **C. MR. SCHROEDER'S PRODUCTION DEMAND NO. 30 TO KLA**

11 Production Demand No. 30

12 All DOCUMENTS concerning the Compensation Committee's granting of options to
 13 Section 16b officers including all DOCUMENTS evidencing any follow-up to assure that the
 14 Secretary, General Counsel, or Human Resources had properly documented its grants.

15 KLA's Amended Response to Production Demand No. 30

16 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 17 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 18 to this Demand to the extent that it is vague and ambiguous, compound, argumentative, lacks
 19 foundation, and is improper in form. KLA further objects to this Demand to the extent it seeks
 20 production of documents which are neither relevant to the subject matter of this action nor
 21 reasonably calculated to lead to the discovery of admissible evidence. KLA objects to this
 22 Demand to the extent it seeks documents protected by the attorney-client privilege, work product
 23 doctrine, or other applicable privilege. No such privileged documents will be produced. KLA
 24 objects to this Demand to the extent it seeks confidential, proprietary, or highly sensitive
 25 information or information that is protected by the right to privacy of any third party that KLA is
 26 obligated to safeguard. KLA objects to this Demand to the extent it contains duplicative requests,
 27 in whole or in part.

1 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 2 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 3 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 4 No such documents will be produced by KLA.

5 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 30**

6 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 7 responsive to Production Demand No. 30 that KLA has withheld based on the attorney-client
 8 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 9 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 10 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 11 options granting practices, witness interview memoranda concerning such communications, and
 12 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 13 options practices without regard to matters of privilege.

14 **D. MR. SCHROEDER'S PRODUCTION DEMAND NO. 44 TO KLA**

15 **Production Demand No. 44**

16 All DOCUMENTS CONCERNING COMMUNICATIONS between Lisa Berry and
 17 anyone CONCERNING stock options, accounting for stock options, stock option procedures,
 18 selection of stock option grant dates and all DOCUMENTS found on her computer relating to the
 19 same subjects.

20 **KLA's Amended Response To Production Demand No. 44**

21 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 22 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 23 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 24 KLA further objects to this Demand to the extent it seeks production of documents which are
 25 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 26 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 27 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 28 No such privileged documents will be produced. KLA objects to this Demand to the extent it

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1 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 2 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 3 Demand to the extent it contains duplicative requests, in whole or in part.

4 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 5 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 6 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 7 No such documents will be produced by KLA.

8 **Mr. Schroeder's Entitlement To Documents Response to Production Demand No. 44**

9 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 10 responsive to Production Demand No. 44 that KLA has withheld based on the attorney-client
 11 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 12 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 13 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 14 options granting practices, witness interview memoranda concerning such communications, and
 15 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 16 options practices without regard to matters of privilege.

17 **E. MR. SCHROEDER'S PRODUCTION DEMAND NO. 47 TO KLA**

18 **Production Demand No. 47**

19 All DOCUMENTS created by, sent by or to, or received by or from any current or former
 20 employee of THE COMPANY's Human Resources Department, Finance Department, Legal
 21 Department, or stock option committee CONCERNING THE COMPANY's stock option grants,
 22 which grants were dated on or as of the following dates:

23 1. November 14, 1991
 24 2. September 14, 1992
 25 3. July 26, 1994
 26 4. April 18, 1995
 27 5. January 15, 1996
 28 6. September 17, 1996
 7. October 8, 1996
 8. April 30, 1997
 9. July 21, 1997
 10. July 31, 1997
 11. October 30, 1997

1 12. November 24, 1997
 2 13. January 20, 1998
 3 14. March 18, 1998
 4 15. April 27, 1998
 5 16. June 3, 1998
 6 17. June 22, 1998
 7 18. August 5, 1998
 8 19. August 31, 1998
 9 20. September 10, 1997
 10 21. October 19, 1998
 11 22. October 23, 1998
 12 23. November 3, 1998
 13 24. November 30, 1998
 14 25. December 16, 1998
 15 26. January 22, 1999
 16 27. February 26, 1999
 17 28. March 24, 1999
 18 29. April 19, 1999
 19 30. May 26, 1999
 20 31. June 15, 1999
 21 32. July 26, 1999
 22 33. August 20, 1999
 23 34. November 30, 1999
 24 35. December 16, 1999
 25 36. January 28, 2000
 26 37. February 18, 2000
 27 38. April 14, 2000
 28 39. May 25, 2000
 29 40. July 5, 2000
 30 41. August 13, 2000
 31 42. October 17, 2000
 32 43. November 10, 2000
 33 44. December 22, 2000
 34 45. February 9, 2001
 35 46. April 4, 2001
 36 47. May 30, 2001
 37 48. July 10, 2001
 38 49. October 2, 2001
 39 50. November 20, 2001
 40 51. January 18, 2002
 41 52. February 28, 2002
 42 53. January 24, 2005

22 KLA's Amended Response To Production Demand No. 47

23 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 24 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 25 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 26 KLA further objects to this Demand to the extent it seeks production of documents which are
 27 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 28

1 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 2 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 3 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 4 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 5 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 6 Demand to the extent it contains duplicative requests, in whole or in part. KLA objects to the
 7 production of documents pertaining to stock option grants before 1997.

8 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 9 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 10 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 11 No such documents will be produced by KLA.

12 Subject to and without waiving the foregoing limitations and General and Specific
 13 Objections, KLA will produce relevant, non-privileged documents that are responsive to this
 14 Demand provided that an adequate protective order is entered that will protect disclosure of KLA
 15 and KLA current and former employees' confidential, proprietary, and/or private information.

16 Mr. Schroeder's Entitlement To Documents Response to Production Demand No. 47

17 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 18 responsive to Production Demand No. 47 that KLA has withheld based on the attorney-client
 19 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 20 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 21 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 22 options granting practices, witness interview memoranda concerning such communications, and
 23 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 24 options practices without regard to matters of privilege.

25 **F. MR. SCHROEDER'S PRODUCTION DEMAND NO. 48 TO KLA**

26 Production Demand No. 48

27 All DOCUMENTS CONCERNING COMMUNICATIONS sent by or received by Stuart
 28 J. Nichols CONCERNING stock options, the authority to grant or price stock options, Board
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1 ratification of stock option grants, including but not limited to, all drafts of the memorandum sent
 2 by Nichols dated March 19, 2001, and all COMMUNICATIONS with Wilson Sonsini Goodrich
 3 & Rosati CONCERNING stock options.

4 KLA's Amended Response To Production Demand No. 48

5 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 6 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 7 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 8 KLA further objects to this Demand to the extent it seeks production of documents which are
 9 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 10 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 11 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 12 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 13 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 14 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 15 Demand to the extent it contains duplicative requests, in whole or in part.

16 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 17 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 18 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 19 No such documents will be produced by KLA.

20 Mr. Schroeder's Entitlement To Documents Responsive to Production Demand No. 48

21 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 22 responsive to Production Demand No. 48 that KLA has withheld based on the attorney-client
 23 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 24 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 25 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 26 options granting practices, witness interview memoranda concerning such communications, and
 27 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 28 options practices without regard to matters of privilege.

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STATEMENT IN COMPLIANCE WITH CIVIL LOCAL RULE 37-2

1 **G. MR. SCHROEDER'S PRODUCTION DEMAND NO. 50 TO KLA**2 Production Demand No. 50

3 All DOCUMENTS CONCERNING internal controls existing prior to the SPECIAL
 4 COMMITTEE INVESTIGATION to assure that the granting of stock options were properly
 5 accounted for, and all DOCUMENTS relating to the training of Human Resource, stock
 6 administration departments and members of the stock option committee were trained in proper
 7 procedures for granting and accounting for option grants.

8 KLA's Amended Response to Production Demand No. 50

9 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 10 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 11 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 12 KLA further objects to this Demand to the extent it seeks production of documents which are
 13 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 14 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 15 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 16 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 17 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 18 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 19 Demand to the extent it contains duplicative requests, in whole or in part.

20 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 21 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 22 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 23 No such documents will be produced by KLA.

24 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 50

25 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 26 responsive to Production Demand No. 50 that KLA has withheld based on the attorney-client
 27 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 28 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it

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1 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 2 options granting practices, witness interview memoranda concerning such communications, and
 3 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 4 options practices without regard to matters of privilege.

5 **H. MR. SCHROEDER'S PRODUCTION DEMAND NO. 52 TO KLA**

6 Production Demand No. 52

7 All documents CONCERNING the November 14, 1998 COMMUNICATION from Lisa
 8 Berry to Larry Sonsini of Wilson Sonsini Goodrich & Rosati.

9 KLA's Amended Response to Production Demand No. 52

10 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 11 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 12 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 13 KLA further objects to this Demand to the extent it seeks production of documents which are
 14 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 15 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 16 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 17 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 18 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 19 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 20 Demand to the extent it contains duplicative requests, in whole or in part.

21 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 22 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 23 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 24 No such documents will be produced by KLA.

25 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 52

26 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 27 responsive to Production Demand No. 52 that KLA has withheld based on the attorney-client
 28 privilege and/or work product doctrine because (1) KLA has not established the applicability of
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1 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 2 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 3 options granting practices, witness interview memoranda concerning such communications, and
 4 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 5 options practices without regard to matters of privilege.

6 **I. MR. SCHROEDER'S PRODUCTION DEMAND NO. 53 TO KLA**

7 Production Demand No. 53

8 All documents CONCERNING any meeting held on April 4, 2001 at THE COMPANY,
 9 including the "Stock Option Pricing" meeting scheduled by the assistant for Maureen Lamb.

10 KLA's Amended Response to Production Demand No. 53

11 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 12 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 13 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 14 KLA further objects to this Demand to the extent it seeks production of documents which are
 15 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 16 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 17 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 18 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 19 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 20 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 21 Demand to the extent it contains duplicative requests, in whole or in part.

22 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 23 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 24 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 25 No such documents will be produced by KLA.

26 Subject to and without waiving the foregoing limitations and General and Specific
 27 Objections, KLA will produce relevant, non-privileged documents that are responsive to this
 28

1 Demand provided that an adequate protective order is entered that will protect disclosure of KLA
 2 and KLA current and former employees' confidential, proprietary, and/or private information.

3 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 53**

4 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 5 responsive to Production Demand No. 53 that KLA has withheld based on the attorney-client
 6 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 7 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 8 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 9 options granting practices, witness interview memoranda concerning such communications, and
 10 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 11 options practices without regard to matters of privilege.

12 **J. MR. SCHROEDER'S PRODUCTION DEMAND NO. 57 TO KLA**

13 **Production Demand No. 57**

14 All COMMUNICATIONS CONCERNING stock options or accounting for stock options
 15 sent or received by Ken Levy, Ken Schroeder, Gary Dickerson, Jon Tompkins, John Kispert, Lisa
 16 Berry, Mark Nordstrom, Stuart Nichols, Maureen Lamb, and any officer or employee of KLA-
 17 TENCOR's human resources, finance, stock administration, and legal departments.

18 **KLA's Amended Response to Production Demand No. 57**

19 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 20 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 21 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 22 KLA further objects to this Demand to the extent it seeks production of documents which are
 23 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 24 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 25 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 26 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 27 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 28

1 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 2 Demand to the extent it contains duplicative requests, in whole or in part.

3 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 4 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 5 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 6 No such documents will be produced by KLA.

7 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 57

8 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 9 responsive to Production Demand No. 57 that KLA has withheld based on the attorney-client
 10 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 11 any privilege or protection; and (2) KLA waived any applicable privilege or protection when it
 12 produced to the SEC documents reflecting attorney-client communications concerning KLA's
 13 options granting practices, witness interview memoranda concerning such communications, and
 14 instructed at least one former KLA attorney to provide information to the SEC about KLA's stock
 15 options practices without regard to matters of privilege.

16 **II. CATEGORY 2: ORIGINAL NOTES AND DRAFT MEMORANDA FROM
 17 SPECIAL COMMITTEE INTERVIEWS**

18 **A. MR. SCHROEDER'S PRODUCTION DEMAND NO. 7 TO KLA**

19 Production Demand No. 7

20 All DOCUMENTS which YOU created or prepared in connection with SPECIAL
 21 COMMITTEE INVESTIGATION, including all DOCUMENTS concerning interviews of
 22 witnesses and summaries of option grants, including all drafts.

23 KLA's Amended Response to Production Demand No. 7

24 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 25 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 26 to this Demand to the extent that it is vague and ambiguous, compound and improper in form.
 27 KLA further objects to this Demand to the extent it seeks production of documents which are
 28 neither relevant to the subject matter of this action nor reasonably calculated to lead to the

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1 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 2 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 3 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 4 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 5 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 6 Demand to the extent it contains duplicative requests, in whole or in part.

7 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 8 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 9 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 10 No such documents will be produced by KLA.

11 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 7

12 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 13 responsive to Production Demand No. 7 that KLA has withheld based on the attorney-client
 14 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 15 privilege or work product protection applies to any such documents, because they were created
 16 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 17 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 18 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 19 product created during the Special Committee investigation.

20 **III. CATEGORY 3: DOCUMENTS RELATING TO THE SPECIAL COMMITTEE**
 21 **INVESTIGATION SHOWN TO OR DISCUSSED WITH THE SEC OR OTHER**
 22 **AGENCIES**

23 **A. MR. SCHROEDER'S PRODUCTION DEMAND NO. 1 TO KLA**

24 Production Demand No. 1

25 All DOCUMENTS CONCERNING the SPECIAL COMMITTEE INVESTIGATION or
 26 the RESTATEMENT which YOU transmitted to, read to (in whole or in part), summarized to,
 27 presented to or received from, the SEC.

1 KLA's Amended Response to Production Demand No. 1

2 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 3 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 4 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 5 KLA further objects to this Demand to the extent it seeks production of documents which are
 6 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 7 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 8 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 9 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 10 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 11 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 12 Demand to the extent it contains duplicative requests, in whole or in part.

13 Based on KLA's review of the SEC's Initial Disclosures, KLA believes the SEC has
 14 already produced substantially all of the documents responsive to this Demand to Schroeder.
 15 Because these documents are already in Schroeder's possession, custody, or control, it would be
 16 unduly burdensome and an improper use of the discovery process to compel KLA to produce
 17 such documents in this case. Accordingly, KLA will not produce any documents responsive to
 18 this Demand which the SEC has already produced to Schroeder, as such documents are already in
 19 Schroeder's possession, custody, or control, and therefore are equally accessible to Schroeder as
 20 to KLA. KLA also refuses to produce many of these responsive documents on the additional
 21 ground that they are protected by the attorney client privilege, the work product doctrine, and/or
 22 other applicable privileges. To the extent Schroeder is concerned that the set of documents he
 23 received from the SEC is incomplete, KLA is willing to meet and confer with Schroeder to
 24 compare the documents he has received from the SEC with the non-privileged, non-attorney work
 25 product documents KLA already produced to the SEC.

26 To the extent that KLA has any responsive documents that the SEC has not produced to
 27 Schroeder and that are not protected by the attorney-client privilege, the work product doctrine, or
 28 some other applicable privilege, KLA will product such documents to Schroeder to the extent

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1 they do not contain any trade secrets or confidential or completely sensitive business information
 2 and subject to the entry by the court of a protective order prohibiting the parties from disclosing
 3 such documents or information to third parties or using them for purposes unrelated to this
 4 litigation. However, KLA currently believes that all non-privileged responsive documents that
 5 were produced to the SEC have already been produced to Schroeder pursuant to the SEC's Initial
 6 Disclosures.

7 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 1

8 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 9 responsive to Production Demand No. 1 that KLA has withheld based on the attorney-client
 10 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 11 privilege or work product protection applies to any such documents, because they were created
 12 with the intent to disclose them to the government; (2) KLA waived any applicable privilege or
 13 protection as to the subject matter of the Special Committee investigation when it disclosed to the
 14 SEC witness interview memoranda and other purportedly privileged materials and/or work
 15 product created during the Special Committee investigation; and (3) waiver applies irrespective of
 16 whether KLA physically produced such documents to the SEC or disclosed the materials orally or
 17 by other means.

18 **B. MR. SCHROEDER'S PRODUCTION DEMAND NO. 2 TO KLA**

19 Production Demand No. 2

20 All DOCUMENTS CONCERNING the SPECIAL COMMITTEE INVESTIGATION or
 21 the RESTATEMENT which YOU transmitted to, read to (in whole or in part), summarized to,
 22 presented to or received from, the DOJ.

23 KLA's Amended Response to Production Demand No. 2

24 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 25 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 26 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 27 KLA further objects to this Demand to the extent it seeks production of documents which are
 28 neither relevant to the subject matter of this action nor reasonably calculated to lead to the

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1 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
2 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
3 No such privileged documents will be produced. KLA objects to this Demand to the extent it
4 seeks confidential, proprietary, or highly sensitive information or information that is protected by
5 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
6 Demand to the extent it contains duplicative requests, in whole or in part.

7 Based on KLA's review of the SEC's Initial Disclosures, KLA believes the SEC has
8 already produced substantially all of the documents responsive to this Demand to Schroeder.
9 Because these documents are already in Schroeder's possession, custody, or control, it would be
10 unduly burdensome and an improper use of the discovery process to compel KLA to produce
11 such documents in this case. Accordingly, KLA will not produce any documents responsive to
12 this Demand which the SEC has already produced to Schroeder, as such documents are already in
13 Schroeder's possession, custody, or control, and therefore are equally accessible to Schroeder as
14 to KLA. KLA also refuses to produce many of these responsive documents on the additional
15 ground that they are protected by the attorney client privilege, the work product doctrine, and/or
16 other applicable privileges. To the extent Schroeder is concerned that the set of documents he
17 received from the SEC is incomplete, KLA is willing to meet and confer with Schroeder to
18 compare the documents he has received from the SEC with the non-privileged, non-attorney work
19 product documents KLA already produced to the DOJ.

20 To the extent that KLA has any responsive documents that the SEC has not produced to
21 Schroeder and that are not protected by the attorney-client privilege, the work product doctrine, or
22 some other applicable privilege, KLA will produce such documents to Schroeder to the extent
23 they do not contain any trade secrets or confidential or completely sensitive business information
24 and subject to the entry by the court of a protective order prohibiting the parties from disclosing
25 such documents or information to third parties or using them for purposes unrelated to this
26 litigation. However, KLA currently believes that all non-privileged responsive documents that
27 were produced to DOJ have already been produced to Schroeder pursuant to the SEC's Initial
28 Disclosures.

Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 2

As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents responsive to Production Demand No. 2 that KLA has withheld based on the attorney-client privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client privilege or work product protection applies to any such documents, because they were created with the intent to disclose them to the government; (2) KLA waived any applicable privilege or protection as to the subject matter of the Special Committee investigation when it disclosed to the SEC witness interview memoranda and other purportedly privileged materials and/or work product created during the Special Committee investigation; and (3) waiver applies irrespective of whether KLA physically produced such documents to the SEC or disclosed the materials orally or by other means.

C. MR. SCHROEDER'S PRODUCTION DEMAND NO. 3 TO KLAProduction Demand No. 3

All DOCUMENTS CONCERNING the SPECIAL COMMITTEE INVESTIGATION or the RESTATEMENT which YOU transmitted to, read to (in whole or in part), summarized to, presented to or received from, the NASDAQ.

KLA's Amended Response to Production Demand No. 3

KLA reasserts and incorporates each of the General Objections set forth above. KLA objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects to this Demand to the extent that it is vague and ambiguous, compound, and improper in form. KLA further objects to this Demand to the extent it seeks production of documents which are neither relevant to the subject matter of this action nor reasonably calculated to lead to the discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents protected by the attorney-client privilege, work product doctrine, or other applicable privilege. No such privileged documents will be produced. KLA objects to this Demand to the extent it seeks confidential, proprietary, or highly sensitive information or information that is protected by the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this Demand to the extent it contains duplicative requests, in whole or in part.

1 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 2 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 3 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 4 No such documents will be produced by KLA.

5 Subject to and without waiving the foregoing limitations and General and Specific
 6 Objections, KLA will produce relevant, non-privileged documents that are responsive to this
 7 Demand provided that an adequate protective order is entered that will protect disclosure of KLA
 8 and KLA current and former employees' confidential, proprietary, and/or private information.

9 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 3**

10 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 11 responsive to Production Demand No. 3 that KLA has withheld based on the attorney-client
 12 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 13 privilege or work product protection applies to any such documents, because they were created
 14 with the intent to disclose them to the government; (2) KLA waived any applicable privilege or
 15 protection as to the subject matter of the Special Committee investigation when it disclosed to the
 16 SEC witness interview memoranda and other purportedly privileged materials and/or work
 17 product created during the Special Committee investigation; and (3) waiver applies irrespective of
 18 whether KLA physically produced such documents to the SEC or disclosed the materials orally or
 19 by other means.

20 **D. MR. SCHROEDER'S PRODUCTION DEMAND NO. 9 TO KLA**

21 **Production Demand No. 9**

22 All DOCUMENTS memorializing any interactions which you attended with
 23 representatives of the SEC, DOJ and/or NASDAQ CONCERNING the SPECIAL COMMITTEE
 24 INVESTIGATION and/or RESTATEMENT.

25 **KLA's Amended Response to Production Demand No. 9**

26 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 27 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 28 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.

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1 KLA further objects to this Demand to the extent it seeks production of documents which are
 2 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 3 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 4 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 5 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 6 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 7 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 8 Demand to the extent it contains duplicative requests, in whole or in part.

9 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 10 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 11 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 12 No such documents will be produced by KLA.

13 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 9**

14 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 15 responsive to Production Demand No. 9 that KLA has withheld based on the attorney-client
 16 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 17 privilege or work product protection applies to any such documents, because they were created
 18 with the intent to disclose them to the government; (2) KLA waived any applicable privilege or
 19 protection as to the subject matter of the Special Committee investigation when it disclosed to the
 20 SEC witness interview memoranda and other purportedly privileged materials and/or work
 21 product created during the Special Committee investigation; and (3) waiver applies irrespective of
 22 whether KLA physically produced such documents to the SEC or disclosed the materials orally or
 23 by other means.

24 **E. MR. SCHROEDER'S PRODUCTION DEMAND NO. 17 TO KLA**

25 **Production Demand No. 17**

26 All DOCUMENTS CONCERNING the dates, times, participants and length of meetings
 27 and/or telephone calls with YOU had with the SEC, DOJ and/or NASDAQ CONCERNING the
 28

1 SPECIAL COMMITTEE INVESTIGATION and/or SLC INVESTIGATION, including attorney
 2 billing records and calendar entries.

3 KLA's Amended Response to Production Demand No. 17

4 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 5 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 6 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 7 KLA further objects to this Demand to the extent it seeks production of documents when are
 8 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 9 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 10 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 11 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 12 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 13 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 14 Demand to the extent it contains duplicative requests, in whole or in part.

15 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 16 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 17 but not limited to, documents that Schroeder already had obtained from the SEC in this action.
 18 No such documents will be produced by KLA.

19 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 17

20 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 21 responsive to Production Demand No. 17 that KLA has withheld based on the attorney-client
 22 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 23 privilege or work product protection applies to any such documents, because they were created
 24 with the intent to disclose them to the government; (2) KLA waived any applicable privilege or
 25 protection as to the subject matter of the Special Committee investigation when it disclosed to the
 26 SEC witness interview memoranda and other purportedly privileged materials and/or work
 27 product created during the Special Committee investigation; and (3) waiver applies irrespective of
 28

1 whether KLA physically produced such documents to the SEC or disclosed the materials orally or
 2 by other means.

3 **F. MR. SCHROEDER'S PRODUCTION DEMAND NO. 22 TO KLA**

4 Production Demand No. 22

5 All DOCUMENTS CONCERNING KLA-TENCOR's SPECIAL COMMITTEE
 6 INVESTIGATION which the law firms of Skadden Arps Slate Meagher & Flom LLP on behalf
 7 of the SPECIAL COMMITTEE or Morgan Lewis, on behalf of the COMPANY transmitted to
 8 read to (in whole or in part), summarized to, presented to or received from any government
 9 agency or the NASDAQ.

10 KLA's Amended Response to Production Demand No. 22

11 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 12 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 13 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 14 KLA further objects to this Demand to the extent it seeks production of documents which are
 15 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 16 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 17 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 18 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 19 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 20 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 21 Demand to the extent it contains duplicative requests, in whole or in part.

22 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 23 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 24 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 25 No such documents will be produced by KLA.

26 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 22

27 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 28 responsive to Production Demand No. 22 that KLA has withheld based on the attorney-client

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1 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 2 privilege or work product protection applies to any such documents, because they were created
 3 with the intent to disclose them to the government; (2) KLA waived any applicable privilege or
 4 protection as to the subject matter of the Special Committee investigation when it disclosed to the
 5 SEC witness interview memoranda and other purportedly privileged materials and/or work
 6 product created during the Special Committee investigation; and (3) waiver applies irrespective of
 7 whether KLA physically produced such documents to the SEC or disclosed the materials orally or
 8 by other means.

9 **IV. CATEGORY 4: ALL DOCUMENTS RELATING TO THE SPECIAL**
 10 **COMMITTEE INVESTIGATION**

11 **A. MR. SCHROEDER'S PRODUCTION DEMAND NO. 6 TO KLA**

12 Production Demand No. 6

13 All DOCUMENTS which you reviewed as part of the SPECIAL COMMITTEE
 14 INVESTIGATION and/or RESTATEMENT.

15 KLA's Amended Response to Production Demand No. 6

16 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 17 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 18 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 19 KLA further objects to this Demand to the extent it seeks production of documents which are
 20 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 21 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 22 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 23 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 24 seeks confidential, proprietary, or highly sensitive information or information that is protected the
 25 right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 26 Demand to the extent it contains duplicative requests, in whole or in part.

27 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 28 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,

1 but not limited to, documents that Schroeder already has obtained from the SEC in this action.

2 No such documents will be produced by KLA.

3 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 6**

4 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 5 responsive to Production Demand No. 6 that KLA has withheld based on the attorney-client
 6 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 7 privilege or work product protection applies to any such documents, because they were created
 8 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 9 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 10 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 11 product created during the Special Committee investigation.

12 **B. MR. SCHROEDER'S PRODUCTION DEMAND NO. 11 TO KLA**

13 **Production Demand No. 11**

14 All DOCUMENTS CONCERNING the COMPANY'S SEC filings that refer to or discuss
 15 the SPECIAL COMMITTEE INVESTIGATION and/or RESTATEMENT, including drafts
 16 which YOU prepared or edited.

17 **KLA's Amended Response to Production Demand No. 11**

18 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 19 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 20 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 21 KLA further objects to this Demand to the extent it seeks production of documents which are
 22 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 23 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 24 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 25 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 26 seeks confidential, proprietary, or highly sensitive information or information that is protected the
 27 right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 28 Demand to the extent it contains duplicative requests, in whole or in part.

1 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 2 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 3 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 4 No such documents will be produced by KLA.

5 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 11**

6 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 7 responsive to Production Demand No. 11 that KLA has withheld based on the attorney-client
 8 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 9 privilege or work product protection applies to any such documents, because they were created
 10 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 11 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 12 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 13 product created during the Special Committee investigation.

14 **C. MR. SCHROEDER'S PRODUCTION DEMAND NO. 20 TO KLA**

15 **Production Demand No. 20**

16 All lists of search words, terms, or phrases that you used to search through DOCUMENTS
 17 in connection with the SPECIAL COMMITTEE INVESTIGATION OR SPECIAL
 18 LITIGATION COMMITTEE INVESTIGATION.

19 **KLA's Amended Response to Production Demand No. 20**

20 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 21 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 22 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 23 KLA further objects to this Demand to the extent it seeks production of documents which are
 24 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 25 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 26 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 27 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 28 seeks confidential, proprietary, or highly sensitive information or information that is protected by

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1 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 2 Demand to the extent it contains duplicative requests, in whole or in part.

3 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 4 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 5 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 6 No such documents will be produced by KLA.

7 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 20

8 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 9 responsive to Production Demand No. 20 that KLA has withheld based on the attorney-client
 10 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 11 privilege or work product protection applies to any such documents, because they were created
 12 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 13 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 14 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 15 product created during the Special Committee investigation

16 **D. MR. SCHROEDER'S PRODUCTION DEMAND NO. 25 TO KLA**

17 Production Demand No. 25

18 All DOCUMENTS CONCERNING action or remedial measures that YOU took as a
 19 result of the SPECIAL COMMITTEE INVESTIGATION, including documents CONCERNING
 20 resignations of directors from YOUR board of directors, terminations of officers and/or
 21 employees, cancellations of options, re-pricing of options and payment of bonuses on account of
 22 re-priced options.

23 KLA's Amended Response to Production Demand No. 25

24 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 25 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 26 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 27 KLA further objects to this Demand to the extent it seeks production of documents which are
 28 neither relevant to the subject matter of this action nor reasonably calculated to lead to the

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1 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 2 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 3 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 4 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 5 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 6 Demand to the extent it contains duplicative requests, in whole or in part.

7 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 8 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 9 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 10 No such documents will be produced by KLA.

11 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 25**

12 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 13 responsive to Production Demand No. 25 that KLA has withheld based on the attorney-client
 14 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 15 privilege or work product protection applies to any such documents, because they were created
 16 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 17 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 18 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 19 product created during the Special Committee investigation.

20 **E. MR. SCHROEDER'S PRODUCTION DEMAND NO. 31 TO KLA**

21 **Production Demand No. 31**

22 All DOCUMENTS CONCERNING Part I, Item 3 (Legal Proceedings) and Part II, Item 7
 23 (Management Discussion & Analysis) of THE COMPANY's Form 10-K filed on January 29,
 24 2007, including all drafts of these items.

25 **KLA's Amended Response to Production Demand No. 31**

26 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 27 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 28 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.

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1 KLA further objects to this Demand to the extent it seeks production of documents which are
 2 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 3 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 4 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 5 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 6 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 7 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 8 Demand to the extent it contains duplicative requests, in whole or in part.

9 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 10 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 11 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 12 No such documents will be produced by KLA.

13 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 31**

14 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 15 responsive to Production Demand No. 31 that KLA has withheld based on the attorney-client
 16 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 17 privilege or work product protection applies to any such documents, because they were created
 18 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 19 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 20 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 21 product created during the Special Committee investigation.

22 **F. MR. SCHROEDER'S PRODUCTION DEMAND NO. 32 TO KLA**

23 **Production Demand No. 32**

24 All DOCUMENTS CONCERNING the conclusions of the SPECIAL COMMITTEE set
 25 forth on pages 24 and 34 of THE COMPANY's Form 10-K filed January 29, 2007, including all
 26 drafts these items.

27 **KLA's Amended Response to Production Demand No. 32**

28 KLA reasserts and incorporates each of the General Objections set forth above. KLA

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STATEMENT IN COMPLIANCE WITH CIVIL LOCAL RULE 37-2

1 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 2 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 3 KLA further objects to this Demand to the extent it seeks production of documents which are
 4 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 5 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 6 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 7 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 8 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 9 the right to privacy of any third party KLA is obligated to safeguard. KLA objects to this
 10 Demand to the extent it contains duplicative request, in whole or in part.

11 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 12 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 13 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 14 No such documents will be produced by KLA.

15 **Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 32**

16 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 17 responsive to Production Demand No. 32 that KLA has withheld based on the attorney-client
 18 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 19 privilege or work product protection applies to any such documents, because they were created
 20 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 21 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 22 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 23 product created during the Special Committee investigation.

24 **G. MR. SCHROEDER'S PRODUCTION DEMAND NO. 37 TO KLA**

25 **Production Demand No. 37**

26 All DOCUMENTS provided to or received from Skadden Arps Slate Meagher & Flom
 27 LLP CONCERNING the SPECIAL INVESTIGATION.

1 KLA's Amended Response to Production Demand No. 37

2 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 3 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 4 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 5 KLA objects to this Demand on the grounds that it is unintelligible; the Subpoena contains no
 6 definition for the term "Special Investigation." KLA further objects to this Demand to the extent
 7 it seeks production of documents which are neither relevant to the subject matter of this action
 8 nor reasonably calculated to lead to the discovery of admissible evidence. KLA objects to this
 9 Demand to the extent it seeks documents protected by the attorney-client privilege, work product
 10 doctrine, or other applicable privilege. No such privileged documents will be produced. KLA
 11 objects to this Demand to the extent it seeks confidential, proprietary, or highly sensitive
 12 information or information that is protected by the right of privacy of any third party that KLA is
 13 obligated to safeguard. KLA objects to this Demand to the extent it contains duplicative requests,
 14 in whole or in part.

15 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 16 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 17 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 18 No such documents will be produced by KLA.

19 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 37

20 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 21 responsive to Production Demand No. 37 that KLA has withheld based on the attorney-client
 22 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 23 privilege or work product protection applies to any such documents, because they were created
 24 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 25 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 26 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 27 product created during the Special Committee investigation.

1 **H. MR. SCHROEDER'S PRODUCTION DEMAND NO. 38 TO KLA**

2 Production Demand No. 38

3 All DOCUMENTS provided to or received from Morgan, Lewis & Bockius LLP
 4 CONCERNING the SPECIAL INVESTIGATION.

5 KLA's Amended Response to Production Demand No. 38

6 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 7 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 8 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 9 KLA objects to this Demand on the grounds that it is unintelligible; the Subpoena contains no
 10 definition for the term "Special Investigation." KLA further objects to this Demand to the extent
 11 it seeks production of documents which are neither relevant to the subject matter of this action
 12 nor reasonably calculated to lead to the discovery of admissible evidence. KLA objects to this
 13 Demand to the extent it seeks documents protected by the attorney-client privilege, work product
 14 doctrine, or other applicable privilege. No such privileged documents will be produced. KLA
 15 objects to this Demand to the extent it seeks confidential, proprietary, or highly sensitive
 16 information or information that is protected by the right to privacy of any third party that KLA is
 17 obligated to safeguard. KLA objects to this Demand to the extent it contains duplicative requests,
 18 in whole or in part.

19 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 20 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 21 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 22 No such documents will be produced by KLA.

23 Mr. Schroeder's Entitlement to Documents Responsive to Production Demand No. 38

24 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 25 responsive to Production Demand No. 38 that KLA has withheld based on the attorney-client
 26 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 27 privilege or work product protection applies to any such documents, because they were created
 28 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege

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1 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 2 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 3 product created during the Special Committee investigation.

4 **I. MR. SCHROEDER'S PRODUCTION DEMAND NO. 54 TO KLA**

5 Production Demand No. 54

6 All calendars, diaries, or notes CONCERNING any witness or potential witness contacted
 7 during the SPECIAL COMMITTEE INVESTIGATION, including DOCUMENTS
 8 CONCERNING Kenneth Levy, Gary Dickerson, Jon Tompkins, John Kispert, Lisa Berry, Stuart
 9 Nichols, Maureen Lamb, Joy Nyberg and Mark Nordstrom and all of the COMPANY's vice
 10 presidents of Human Resources.

11 KLA's Amended Response to Production Demand No. 54

12 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 13 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 14 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 15 KLA further objects to this Demand to the extent it seeks production of documents which are
 16 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 17 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 18 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 19 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 20 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 21 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 22 Demand to the extent it contains duplicative requests, in whole or in part.

23 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 24 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 25 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 26 No such documents will be produced by KLA.

27

28

1 Mr. Schroeder's Entitlement to Documents Responsive to Demand No. 54

2 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 3 responsive to Production Demand No. 54 that KLA has withheld based on the attorney-client
 4 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 5 privilege or work product protection applies to any such documents, because they were created
 6 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 7 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 8 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 9 product created during the Special Committee investigation.

10 **J. MR. SCHROEDER'S PRODUCTION DEMAND NO. 58 TO KLA**

11 Production Demand No. 58

12 All DOCUMENTS CONCERNING KENNETH SCHROEDER including all
 13 DOCUMENTS concerning his employment, responsibilities at THE COMPANY, option grants
 14 and any action taken with respect to him based on the SPECIAL COMMITTEE
 15 INVESTIGATION OR SPECIAL LITIGATION COMMITTEE INVESTIGATION.

16 KLA's Amended Response to Production Demand No. 58

17 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 18 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 19 to this Demand to the extent that it is vague and ambiguous, compound, and improper form.
 20 KLA further objects to this Demand to the extent it seeks production of documents which are
 21 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 22 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 23 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 24 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 25 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 26 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 27 Demand to the extent it contains duplicative requests, in whole or in part.

28

1 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 2 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 3 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 4 No such documents will be produced by KLA.

5 Mr. Schroeder's Entitlement to Documents Responsive to Demand No. 58

6 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 7 responsive to Production Demand No. 58 that KLA has withheld based on the attorney-client
 8 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 9 privilege or work product protection applies to any such documents, because they were created
 10 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 11 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 12 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 13 product created during the Special Committee investigation.

14 **K. MR. SCHROEDER'S PRODUCTION DEMAND NO. 59 TO KLA**

15 Production Demand No. 59

16 All DOCUMENTS CONCERNING internal controls that THE COMPANY put into place
 17 on the basis of the results of the SPECIAL INVESTIGATION to assure proper granting and
 18 accounting for its stock options and education of its personnel and directors regarding stock
 19 option grants.

20 KLA's Amended Response to Production Demand No. 59

21 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 22 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 23 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 24 KLA objects to this Demand on the grounds that it is unintelligible; the Subpoena contains no
 25 definition for the term "Special Investigation." KLA further objects to this Demand to the extent
 26 it seeks production of documents which are neither relevant to the subject matter of this action
 27 nor reasonably calculated to lead to the discovery of admissible evidence. KLA objects to this
 28 Demand to the extent it seeks documents protected by the attorney-client privilege, work product

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1 doctrine, or other applicable privilege. No such privileged documents will be produced. KLA
 2 objects to this Demand to the extent it seeks confidential, proprietary, or highly sensitive
 3 information or information that is protected by the right to privacy of any third party that KLA is
 4 obligated to safeguard. KLA objects to this Demand to the extent it contains duplicative requests,
 5 in whole or in part.

6 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 7 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 8 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 9 No such documents will be produced by KLA.

10 **Mr. Schroeder's Entitlement to Documents Responsive to Demand No. 59**

11 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 12 responsive to Production Demand No. 59 that KLA has withheld based on the attorney-client
 13 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 14 privilege or work product protection applies to any such documents, because they were created
 15 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 16 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 17 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 18 product created during the Special Committee investigation.

19 **L. MR. SCHROEDER'S PRODUCTION DEMAND NO. 60 TO KLA**

20 **Production Demand No. 60**

21 All DOCUMENTS CONCERNING any decisions made by the COMPANY
 22 CONCERNING any remedial action taken or considered by THE COMPANY based on the
 23 SPECIAL COMMITTEE INVESTIGATION, including employment decisions, requests for
 24 director resignations and stock option re-pricing decisions and bonus decisions.

25 **KLA's Amended Response to Production Demand No. 60**

26 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 27 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 28 to this Demand to the extent that it is vague and ambiguous, compound, and improper form.

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1 KLA further objects to this Demand to the extent it seeks production of documents which are
 2 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 3 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 4 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 5 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 6 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 7 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 8 Demand to the extent it contains duplicative requests, in whole or in part.

9 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 10 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 11 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 12 No such documents will be produced by KLA.

13 **Mr. Schroeder's Entitlement to Documents Responsive to Demand No. 60**

14 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 15 responsive to Production Demand No. 60 that KLA has withheld based on the attorney-client
 16 privilege and/or work product doctrine because (1) KLA cannot establish that the attorney-client
 17 privilege or work product protection applies to any such documents, because they were created
 18 with the intent to disclose them to the government; and (2) KLA waived any applicable privilege
 19 or protection as to the subject matter of the Special Committee investigation when it disclosed to
 20 the SEC witness interview memoranda and other purportedly privileged materials and/or work
 21 product created during the Special Committee investigation.

22 **V. CATEGORY 5: DOCUMENTS SHARED WITH KLA'S OUTSIDE AUDITORS**

23 **A. MR. SCHROEDER'S PRODUCTION DEMAND NO. 4 TO KLA**

24 Production Demand No. 4

25 All DOCUMENTS CONCERNING the SPECIAL COMMITTEE INVESTIGATION
 26 and/or RESTATEMENT which YOU transmitted to, read to (in whole or in part), summarized to,
 27 presented to or received from, PWC.

28 KLA's Amended Response to Production Demand No. 4

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STATEMENT IN COMPLIANCE WITH CIVIL LOCAL RULE 37-2

1 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 2 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 3 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.

4 KLA further objects to this Demand to the extent it seeks production of documents which
 5 are neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 6 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 7 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 8 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 9 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 10 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 11 Demand to the extent it contains duplicative requests, in whole or in part.

12 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 13 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 14 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 15 No such documents will be produced by KLA.

16 Subject to and without waiving the foregoing limitations and General and Specific
 17 Objections, KLA will produce relevant, non-privileged documents that are responsive to this
 18 Demand provided that an adequate protective order is entered that will protect disclosure of KLA
 19 and KLA current and former employees' confidential, proprietary, and/or private information.

20 **Mr. Schroeder's Entitlement to Document Responsive to Production Demand No. 4**

21 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 22 responsive to Production Demand No. 4 that KLA has withheld based on the attorney-client
 23 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 24 any privilege or protection; and (2) KLA waived any applicable privilege or protection as to the
 25 documents requested by disclosing them to PwC.

26 **B. MR. SCHROEDER'S PRODUCTION DEMAND NO. 24 TO KLA**

27 **Production Demand No. 24**

28 All DOCUMENTS CONCERNING KLA-TENCOR's accounting for stock option grants,
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1 both before and after the SPECIAL COMMITTEE INVESTIGATION, including all
 2 DOCUMENTS transmitted to and received from PWC or LECG in connection with the
 3 RESTATEMENT.

4 KLA's Amended Response to Production Demand No. 24

5 KLA reasserts and incorporates each of the General Objections set forth above. KLA
 6 objects to this Demand to the extent that it is overly broad and unduly burdensome. KLA objects
 7 to this Demand to the extent that it is vague and ambiguous, compound, and improper in form.
 8 KLA further objects to this Demand to the extent it seeks production of documents which are
 9 neither relevant to the subject matter of this action nor reasonably calculated to lead to the
 10 discovery of admissible evidence. KLA objects to this Demand to the extent it seeks documents
 11 protected by the attorney-client privilege, work product doctrine, or other applicable privilege.
 12 No such privileged documents will be produced. KLA objects to this Demand to the extent it
 13 seeks confidential, proprietary, or highly sensitive information or information that is protected by
 14 the right to privacy of any third party that KLA is obligated to safeguard. KLA objects to this
 15 Demand to the extent it contains duplicative requests, in whole or in part.

16 KLA objects to this demand to the extent it seeks documents that Schroeder already has in
 17 his possession, custody or control or are as accessible to Schroeder as they are to KLA, including,
 18 but not limited to, documents that Schroeder already has obtained from the SEC in this action.
 19 No such documents will be produced by KLA.

20 Mr. Schroeder's Entitlement to Documents Responsive to Demand No. 24

21 As explained in the Motion to Compel, Mr. Schroeder is entitled to all documents
 22 responsive to Production Demand No. 24 that KLA has withheld based on the attorney-client
 23 privilege and/or work product doctrine because (1) KLA has not established the applicability of
 24 any privilege or protection; and (2) KLA waived any applicable privilege or protection as to the
 25 documents requested by disclosing them to PwC.

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1 Dated: June 9, 2008

2 Respectfully submitted,

3 DLA PIPER US LLP

4 By: /s/Jeffrey B. Coopersmith

5 SHIRLI FABBRI WEISS (Bar No. 079225)

6 DAVID PRIEBE (Bar No. 148679)

7 JEFFREY B. COOPERSMITH (Bar No. 252819)

8 **DLA PIPER US LLP**

9 ELLIOT R. PETERS (Bar No. 158708)

10 STUART L. GASNER (Bar No. 164675)

11 **KEKER & VAN NEST LLP**

12 Attorneys for Defendant

13 KENNETH L. SCHROEDER

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